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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 09/862,917
Filing Date: May 22, 2001
Appellant(s): JARMAN ET AL.

Craig A. Fieschko
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 09/07/2010 appealing from the Office action mailed 04/06/2010.

(1) Real Party in Interest

The examiner has no comment on the statement, or lack of statement, identifying by name the real party in interest in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The following is a list of claims that are rejected and pending in the application:

Claims 1-21, 23-26, 28, 37-39, 41-43, and 45-48.

(5) Summary of Claimed Subject Matter

The examiner has no comment on the summary of claimed subject matter contained in the brief.

(6) Grounds of Rejection to be Reviewed on Appeal

The examiner has no comment on the appellant's statement of the grounds of rejection to be reviewed on appeal. Every ground of rejection set forth in the Office action from which the appeal is taken (as modified by any advisory actions) is being maintained by the examiner except for the grounds of rejection (if any) listed under the subheading "WITHDRAWN REJECTIONS." New grounds of rejection (if any) are provided under the subheading "NEW GROUNDS OF REJECTION."

(7) Claims Appendix

The examiner has no comment on the copy of the appealed claims contained in the Appendix to the appellant's brief.

(8) Evidence Relied Upon

US 5,959,549	Synesiou et al.	Sep. 28, 1999
US 5,146,067	Sloan et al.	Sep. 8, 1992
US 6,282,522	Davis et al.	Aug. 28, 2001
WO 00/58922	Bos	Oct. 05, 2000

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claim 45 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

A claimed process is eligible for patent protection under 35 U.S.C. § 101 if:

"(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See Benson, 409 U.S. at 70 ('Transformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines.'); Diehr, 450 U.S. at 192 (holding that use of mathematical formula in process 'transforming or reducing an article to a different state or thing' constitutes patent-eligible subject matter); see also Flook, 437 U.S. at 589 n.9 ('An argument can be made [that the Supreme] Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a 'different state or thing' '); Cochrane v. Deener, 94 U.S. 780, 788 (1876) ('A process is...an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing.').[7] A claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed. And a claimed process that transforms a particular article to a specified different state or thing by applying a fundamental principle would not pre-empt the use of

> the principle to transform any other article, to transform the same article but in a manner not covered by the claim, or to do anything other than transform the specified article." (*In re Bilski, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008))*

Also noted in *Bilski* is the statement, "Process claim that recites fundamental principle, and that otherwise fails 'machine-or-transformation' test for whether such claim is drawn to patentable subject matter under 35 U.S.C. §101, is not rendered patent eligible by mere field-of-use limitations; another corollary to machine-or-transformation test is that recitation of specific machine or particular transformation of specific article does not transform unpatentable principle into patentable process if recited machine or transformation constitutes mere 'insignificant post-solution activity.'" (*In re Bilski, 88 USPQ2d 1385, 1385 (Fed. Cir. 2008))* Examples of insignificant post-solution activity include data gathering and outputting. Furthermore, the machine or transformation must impose meaningful limits on the scope of the method claims in order to pass the machine-or-transformation test. It is also noted that the mere recitation of a machine in the preamble in a manner such that the machine fails to patentably limit the scope of the claim does not make the claim statutory under 35 U.S.C. § 101, as seen in the Board of Patent Appeals Informative Opinion *Ex parte Langemyr et al.* (Appeal 2008-1495), http://www.uspto.gov/web/offices/dcom/bpai/its/fd081495.pdf .

Claim 45 recites:

A method of processing credit/charge card payments

including the steps of:

a. receiving a funds transfer authorization identifying a credit/charge card to be charged, the funds transfer authorization:
   (1) including data uniquely identifying a location at which a utility meter is installed, and
   (2) being unrelated to any measurements made by the utility meter;

b. accepting the data uniquely identifying the location as verifying that the credit/charge card is physically present at the location, and

c. processing the funds transfer authorization as a card present type transaction.

Factors weighing against patent eligibility under 35 U.S.C. 101:

There is no recitation of a machine or transformation.

The "receiving", “accepting” and “processing” steps could be understood as merely oral communication (for example, over a telephone line) between a customer and a service representative regarding payment for services rendered.

The claim as a whole is a mere statement of a general concept of data exchange.

Accordingly, claim 45 is not tied to a particular machine or apparatus nor does it transform a particular article into a different state or thing, thereby failing the machine-or-transformation test, and, therefore, claim 45 is non-statutory under § 101.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-12, 14-21, 23, 28, 37-39, 41-43, 45-47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Synesiou et al. (US 5,959,549) in view of Sloan et al. (US 5,146,067) and further in view of Davis et al. (US 6,282,522).

Independent claims

Claims 1, 37, 42 and 46. Synesiou et al. (Synesiou) teaches a utility transaction authorization system, comprising:

a financial institution (the issuer of the credit card) (C. 5, L. 55-56);

a user interface unit (display unit) separate and space from the financial institution and capable of accepting a card charge authorization (C. 5, L. 15-24, 44-60);

a utility meter (remote measurement module 38 separately located and incorporated into controller 34,) provided at a location having an associated location identifier (unique identification number) unique to the location (C. 4, L. 16, 30-36);

wherein the utility meter (remote measurement module 38) is arranged to:

communicate with the user interface unit (display unit), to obtain a card charge authorization (C. 5, L. 55-57);

to transmit a credit/charge card charge request to a financial institution based on the card charge authorization (C. 5, L. 52-57) and meter location identifier (the utility meter unique identification number and module address code is stored in microcontroller 68, which allows the consumption data derived from a particular consumer site to be related to that site and to the credit data corresponding to that site) (C. 4, L. 49-53),

the card charge request including:

(1) data identifying a credit/charge card account (C. 5, L. 55-57), and

(2) data related to the credit/charge card (a card number and a secret code or PIN allocated to the consumer) (C. 5, L. 53-54),

to obtain authorization of the card charge from the financial institution (C. 5, L. 52-57).

Synesiou does not specifically teach that said data related to the credit/charge card is data indicating that the credit/charge card is physically present at the location of the user interface unit. Also, Synesiou does not teach that the financial institution processes the card charge request from the utility meter regardless of whether the card charge request relates to any utility usage measurements made by the utility meter.

Sloan et al. (Sloan) teaches a prepayment system for dispensing utilities using mag-stripe cards, including a means for reading a mag-stripe card provided at the

customer's side (premises) for allowing to dispense utility services in accordance with the value and account information encode' on the mag-stripe card (Cls. 3, 4), wherein the fact of using the mag-card (obtaining data from the mag-card) at the customer premises indicates that the mag-card (credit/charge card) is physically present at the location of the user interface unit.

Both Synesiou and Sloan disclose an arrangement wherein the consumer pays to a service provider for utility services over the network by the credit/prepaid card utilizing the user interface installed at the consumer premises. In this case, each of the elements of the cited references combined by the Examiner performs the same function when combined as it does in the prior art. Therefore, it would have been prima face obvious to one having ordinary skill in the art at the time the invention was made to modify Synesiou to include that said user interface includes a magnetic/slot card reading device, as disclosed in Sloan, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. *KSR,* 127 S.Ct. at 1740, 82 USPQ2d at 1396.

Davis et al. (Davis) teaches an Internet payment arrangement wherein a user purchases goods or services over the Internet by employing his/her credit card and credit card reader installed at the user's premises (Abstract; Fig. 10; C. 6, L. 1-3, 32-35), wherein it appears that the financial institution processes the card charge request regardless of whether the card charge request relates to any utility usage measurements.

Both the combination of Synesiou and Sloan, and Davis reference disclose an arrangement wherein the consumer pays to a service provider for services rendered over the network by the credit card at the consumer premises, said payment step includes sliding the card through the slot of a card reading device (the user interface unit) installed at the consumer premises, thereby disclosing that the card is physically present at the location of the user interface unit. Therefore, it would have been prima face obvious to one having ordinary skill in the art at the time the invention was made to

modify the combination to include that the financial institution processes the card charge request regardless of whether the card charge request relates to any utility usage measurements, as suggested in Davis, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. *KSR,* 127 S.Ct. at 1740, 82 USPQ2d at 1396.

Claims 28. Synesiou teaches a utility transaction authorization method, comprising:

providing a user interface unit (display unit) at a location (C. 5, L. 15-24, 44-60);

providing a utility meter at the location, the utility meter having an associated meter location identifier uniquely identifying the location (C. 4, L. 16, 30-36);

accepting a funds card charge authorization request via the user interface unit (C. 5, L. 52-57), the transaction authorization request including:

(1) data identifying a credit/charge card account (C. 5, L. 55-57), and

(2) data identifying the credit/charge card account of the credit/charge card (C. 5, L. 55-57),

communicating the card charge authorization request from the user interface unit to the utility meter (C. 5, L. L. 34-37); and

transmitting a message generated in dependence on the card charge authorization request (C. 5, L. 52-57) and meter location identifier (the utility meter unique identification number and module address code is stored in microcontroller 68, which allows the consumption data derived from a particular consumer site to be related to that site and to the credit data corresponding to that site) (C. 4, L. 49-53) from the utility meter to a financial institution to obtain authorization of the card charge (payment by the credit card for the utility suggests a financial institution issuing said credit card and authorizing credit card transactions) (C. 5, L. 52-57).

Synesiou does not specifically teach that said data related to the credit/charge card is data indicating that the credit/charge card is physically present at the location of

the user interface unit. Also, Synesiou does not teach that the financial institution processes the card charge request from the utility meter regardless of whether the card charge request relates to any utility usage measurements made by the utility meter.

Sloan teaches a prepayment system for dispensing utilities using mag-stripe cards, including a means for reading a mag-stripe card provided at the customer's side (premises) for allowing to dispense utility services in accordance with the value and account information encode' on the mag-stripe card (Cls. 3, 4), wherein the fact of using the mag-card (obtaining data from the mag-card) at the customer premises indicates that the mag-card (credit/charge card) is physically present at the location of the user interface unit.

Both Synesiou and Sloan disclose an arrangement wherein the consumer pays to a service provider for utility services over the network by the credit/prepaid card utilizing the user interface installed at the consumer premises. In this case, each of the elements of the cited references combined by the Examiner performs the same function when combined as it does in the prior art. Thus, such a combination would have yielded predictable results. *See Sakraida,* 425 U.S. at 282, 189 USPQ at 453. Therefore, Supreme Court Decision in *KSR International Co. v. Teleflex Inc.* (KSR, 82 USPQ2d at 1396) forecloses the argument that a specific teaching, suggestion, or motivation is required to support a finding of obviousness. See the recent Board decision Ex arte Smith, --USPQ2d--, slip op. at 20, (Bd. Pat. App. & Interf. June 25, 2007).

Therefore, it would have been prima face obvious to one having ordinary skill in the art at the time the invention was made to modify Synesiou to include that said user interface includes a magnetic/slot card reading device, as disclosed in Sloan, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. *KSR,* 127 S.Ct. at 1740, 82 USPQ2d at 1396.

Davis teaches an Internet payment arrangement wherein a user purchases goods or services over the Internet by employing his/her credit card and credit card reader installed at the user's premises (Abstract; Fig. 10; C. 6, L. 1-3, 32-35), wherein it

appears that the financial institution processes the card charge request regardless of whether the card charge request relates to any utility usage measurements.

Both the combination of Synesiou and Sloan, and Davis reference disclose an arrangement wherein the consumer pays to a service provider for services rendered over the network by the credit card at the consumer premises, said payment step includes sliding the card through the slot of a card reading device (the user interface unit) installed at the consumer premises, thereby disclosing that the card is physically present at the location of the user interface unit. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Synesiou and Sloan to include that the financial institution processes the card charge request from the utility meter regardless of whether the card charge request relates to any utility usage measurements, as suggested in Davis, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. *KSR,* 127 S.Ct. at 1740, 82 USPQ2d at 1396.

Claims 43, 45 and 47. Synesiou teaches a utility transaction authorization system, comprising:

a utility meter (remote measurement module 38 incorporated into controller 34,) provided at a location having an associated location identifier (unique identification number) unique to the location (C. 4, L. 16, 30-36);

a user interface unit (display unit) capable of accepting a card charge authorization (C. 5, L. 15-24, 44-60);

said user interface unit: includes means for inputting credit card information (C. 5, L. 55-58);

communicating with the utility meter to obtain the location identifier (C. 4, L. 16-36);

processing the data read from the credit/charge card in combination with the location identifier to form at least a part of the funds transfer authorization to verify

that the credit/charge card is physically present at the location of the utility meter (C. 5, L. 52-57), meter location identifier (the utility meter unique identification number and module address code is stored in microcontroller 68, which allows the consumption data derived from a particular consumer site to be related to that site and to the credit data corresponding to that site) (C. 4, L. 49-53), and a secret code or PIN allocated to the consumer (C. 5, L. 53-54)).

Synesiou does not specifically teach that said means for inputting credit card information includes a card reader device.

Sloan teaches a prepayment system for dispensing utilities using mag-stripe cards, including a means for reading a mag-stripe card provided at the customer's side (premises) for allowing to dispense utility services in accordance with the value and account information encode' on the mag-stripe card (Cls. 3, 4).

Both Synesiou and Sloan disclose an arrangement wherein the consumer pays to a service provider for utility services over the network by the credit/prepaid card utilizing the user interface installed at the consumer premises. In this case, each of the elements of the cited references combined by the Examiner performs the same function when combined as it does in the prior art. Thus, such a combination would have yielded predictable results. *See Sakraida,* 425 U.S. at 282, 189 USPQ at 453. Therefore, Supreme Court Decision in *KSR International Co. v. Teleflex Inc.* (KSR, 82 USPQ2d at 1396) forecloses the argument that a specific teaching, suggestion, or motivation is required to support a finding of obviousness. See the recent Board decision Ex arte Smith, --USPQ2d--, slip op. at 20, (Bd. Pat. App. & Interf. June 25, 2007).

Therefore, it would have been prima face obvious to one having ordinary skill in the art at the time the invention was made to modify Synesiou to include that said user interface includes a magnetic/slot card reading device, as disclosed in Sloan, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. *KSR,* 127 S.Ct. at 1740, 82 USPQ2d at 1396.

Davis teaches an Internet payment arrangement wherein a user purchases goods or services over the Internet by employing his/her credit card and credit card reader installed at the user's premises (Abstract; Fig. 10), wherein it appears that the financial institution processes the card charge request regardless of whether the card charge request relates to any utility usage measurements.

Both the combination of Synesiou and Sloan, and Davis reference disclose an arrangement wherein the consumer pays to a service provider for services rendered over the network by the credit card at the consumer premises, said payment step includes sliding the card through the slot of a card reading device (the user interface unit) installed at the consumer premises, thereby disclosing that the card is physically present at the location of the user interface unit. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Synesiou and Sloan to include that the financial institution processes the card charge request from the utility meter regardless of whether the card charge request relates to any utility usage measurements, as suggested in Davis, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. *KSR,* 127 S.Ct. at 1740, 82 USPQ2d at 1396.

Dependent claims

Claims 2-4, 7, 8-12. Synesiou teaches a communication unit arranged to communicate with the utility and the financial institution (C. 5, L. 52-57).

Claims 5 and 6. Synesiou teaches said system in which said further meter is a gas or water meter (Fig. 5).

Claims 14-16. Synesiou teaches said system in which RF signals are utilized for communication between communication devices (C. 5, L. 34-37).

Claims 17-21, 23, 38-39, 41. Same reasoning as applied to independent claims 1, 35 and 37.

Claims 13, 24-26 and 48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Synesiou et al. in view of Sloan et al. further in view of Davis et al. and further in view of Bos (WO 00/58922).

Dependent claims

Claim 13. The combination of Synesiou, Sloan and Davis teaches all the limitations of claim 13, except that the user interface unit is a telephone.

Bos teaches a utility transaction authorization system, including a meter and a digital cellular phone which is used by a consumer to obtain payment authorization (Fig. 1; Abstract).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the combination to include that the user interface unit is a telephone, as disclosed in Bos, because it would advantageously allow to combine various functionalities in one mobile device, thereby providing convenience to the user.

Claims 24-26 and 48. Same reasoning as applied to claim 13.

(10) Response to Argument

Applicant argues that rejection of claim 45 under 35 USC 101 is erroneous.

In response to this argument it is noted that claim 45 is not tied to a particular machine or apparatus nor does it transform a particular article into a different state or thing.

Claim 45 recites:

A method of processing credit/charge card payments including the steps of:

a. receiving a funds transfer authorization identifying a credit/charge card to be charged, the funds transfer authorization:

(1) including data uniquely identifying a location at which a utility meter is installed, and

(2) being unrelated to any measurements made by the utility meter;

b. accepting the data uniquely identifying the location as verifying that the credit/charge card is physically present at the location, and

c. processing the funds transfer authorization as a card present type transaction.

Applicant argues that “Neither the verification nor the transaction are present at the start of the method; these are effectively transformed / produced from the utility meter location data.”, and that “it (the method) cannot be performed solely mentally, and no mathematical formula or law of nature is preempted by the claimed method.” It appears that Applicant agrees that there is no recitation of a machine in the claim. As per “effectively transformed / produced” argument, Examiner points out that "receiving" and "accepting" steps do not require any transformation at all, not even storing of the received data. The "receiving" step could be achieved by a consumer talking to a customer representative (for example over the phone), or via postal services, and "accepting" step could be merely by the (human) customer representative *listening the consumer or reviewing the received written request (the data).* As per *processing the funds transfer authorization* step, said processing could simply represent certain paperwork reflecting changes in a consumer’s account. Conducting paperwork by a

bank clerk/teller based on the received satisfying information from the consumer (during conversation with the consumer or via mail) does not represent "transformation" within the meaning of Diehr, 450 U.S. at 192; Benson, 409 U.S. at 70; Flook, 437 U.S. at 589 n.9; Cochrane v. Deener, 94 U.S. 780, 788 (1876), and *In re Bilski, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008).* As such, claim 45 is not eligible for patent protection under 35 U.S.C. § 101.

Applicant argues that With regard to *CLAIM 1, Synesiou's* utility meter 38 does not: communicate with user interface unit 73, *as in clause a* (the meter 38 only communicates with the substation / CMC 34); get a charge authorization from the user interface unit 73, *as in clause b* (the meter 38 does not receive anything from the user interface unit 73); or transmit a charge request to the financial institution based on the charge authorization and meter location ID, *as in clause c* (instead, the meter 38 transmits consumption data to the substation / CMC 34), with the charge request including card account data *as in clause c.(1)* and card presence data *as in clause c(2)* (since the meter 38 does not handle charge requests). Further, contrary to the closing clause of claim 1, *Synesiou* only processes charge requests related to utility usage.

In response to this argument it is noted that Synesiou teaches:

a utility meter (remote measurement module 38 incorporated into communal metering controller 34, Fig. 1 and 2) provided at a location having an associated location identifier (unique identification number) unique to the location (C. 4, L. 15-16, 30-36), said communal metering controller 34 incorporating a plurality of a user measurement modules 38 (Fig. 2); interface unit (remote display unit 73) capable of accepting a card charge authorization (Fig. 4; C. 5, L. 15-24, 44-60); said remote display unit 73 adapted to communicate with said controller 34 (C. 5, L. 15-24); wherein said controller 34 is configured to communicate with the user interface unit (display unit

73) to obtain a card charge authorization (C. 5, L. 55-57); and to transmit a credit/charge card charge request to a financial institution based on the card charge authorization (C. 5, L. 52-57) and meter location identifier (the utility meter unique identification number and module address code is stored in microcontroller 68, which allows the consumption data derived from a particular consumer site to be related to that site and to the credit data corresponding to that site) (C. 4, L. 49-53).

Applicant argues that the metering controller 38 does not receive anything from the user interface unit 73; or transmit a charge request to the financial institution. However, the Examiner points out that the controller 38 is incorporated into the communal metering controller 34, which (the controller 34) communicates with the user interface unit 73 and transmits a charge request to the financial institution. The only difference between the communal metering controller 34 and the Applicant's utility meter is that the communal metering controller 34 is configured to perform said “communicating" and “transmitting” functionality not just for one utility meter (for one consumer), but for a plurality of utility meters (for a plurality of consumers) (Fig. 1, 34 and 8). To this end Examiner points out that a preamble of clam 1 ends with a transitional phrase ”comprising”, which is inclusive or open-ended and does not exclude additional, unrecited elements or method steps. See, e.g., > Mars Inc. v. H.J. Heinz Co., 377 F.3d 1369,1376, 71 USPQ2d 1837, 1843 (Fed. Cir. 2004) (“like the term comprising,’ the terms containing’ and mixture’ are open-ended.”).< Invitrogen Corp. v. Biocrest Mfg., L.P., 327 F.3d 1364, 1368, 66 USPQ2d 1631, 1634 (Fed. Cir. 2003) (“The transition comprising’ in a method claim indicates that the claim is open-ended and allows for additional steps.”); Genentech, Inc. v. Chiron Corp., 112 F.3d 495, 501, 42 USPQ2d 1608, 1613 (Fed. Cir. 1997) (“Comprising” is a term of art used in claim language which means that the named elements are essential, but other elements may be added and still form a construct within the scope of the claim.); Moleculon Research Corp. v. CBS, Inc., 793 F.2d 1261, 229 USPQ 805 (Fed. Cir. 1986); In re Baxter, 656 F.2d 679, 686, 210 USPQ 795, 803 (CCPA 1981); Ex parte Davis, 80 USPQ 448, 450 (Bd. App. 1948) (“comprising” leaves “the claim open for the inclusion of unspecified ingredients even in major amounts”). >In Gillette Co. v. Energizer Holdings Inc., 405

F.3d 1367, 1371-73, 74 USPQ2d 1586, 1589-91 (Fed. Cir. 2005).

Furthermore, with respect to each particular consumer, Synesious's system performs exactly the same as Applicant's invention; for each consumer the communal metering controller 34 operates as a utility meter configured to perform said "communicating" and "transmitting" functionality.

As per Applicant argument that *Synesiou* only processes charge requests related to utility usage, the Examiner points out that Davis was applied to show an arrangement wherein a consumer purchases goods and/or services over the Internet without limitations for any particular *type* of said product or services utilizing a consumer's credit card reader installed at the consumer's premises (Abstract; Fig. 10; C. 6, L. 1-3, 32-35). Indeed, both *Synesiou* and Davis references disclose a system and method for purchasing goods and/or services over the Internet / WAN by utilizing a consumer's credit card reader installed at the consumer's premises.

Applicant argues that With regard to *CLAIM 28, Synesiou* does not: communicate a charge authorization request from the user interface unit 73 to the utility meter 38 *as in clause d* (rather, the user interface unit 73 only communicates any power purchase to the substation / CMC 34 and/or to the power provider); or transmit a message from the utility meter to a financial institution based on the charge authorization request and meter ID *as in clause e* (rather, the meter 38 only communicates power consumption to the substation / CMC 34). Further, contrary to the closing clause of claim 28, *Synesiou* only processes charge requests related to utility usage.

In response to these arguments it is noted that applicant's arguments essentially repeat the arguments presented above with regard to claim 1; therefore, the responses presented by the Examiner above are equally applicable here. Furthermore, *Synesiou* teaches transmitting a message generated in dependence on the card charge authorization request (C. 5, L. 52-57) and meter location identifier (the utility meter

unique identification number and module address code which is stored in microcontroller 68, which allows the consumption data derived from a particular consumer site to be related to that site and to the credit data corresponding to that site) (C. 4, L. 49-53) from the utility meter 34 to a financial institution to obtain authorization of the card charge (payment by the credit card for the utility suggests a financial institution issuing said credit card and authorizing credit card transactions) (C. 5, L. 43-57).

Applicant arguments with regard to *CLAIMS 37, 42, and 43-47, that Synesiou* does not disclose the limitations recited in said claims, essentially repeat the arguments presented above; therefore, the responses presented by the Examiner above are equally applicable here.

Applicant argues that *Sloan* does not address any of the deficiencies *of Synesiou* with respect to the claims, and the Office Action cites (or at least seems to cite) *Sloan* solely because it uses a card reader at the meter, and thereby has a user interface at the meter which indicates card presence.

In response to this argument the Examiner points out that Sloan was applied to show that the payment card is physically present at the point of payment. Indeed, while *Synesiou* discloses that the consumer pays for the utility by the credit card at the consumer premises, it does not necessarily mean that the card is physically present at the premises at the time of payment, because the consumer uses card attributes only, not the card itself. Specifically, the consumer enters the card number and a security code into the consumer interface 73, but does not slide the card through a card reader. Accordingly, while the payment information is received from the consumer premises, it does not necessarily mean that the card is physically present at the premises at the time of payment.

Accordingly, Sloan was applied for this "physically present" feature. Sloan, which is in the same field of endeavor, discloses a prepayment system for dispensing utilities using mag-stripe cards, including a means for reading a mag-stripe card provided at the customer's premises for allowing to dispense utility services in accordance with the value and account information encode' on the mag-stripe card (Cls. 3, 4), wherein the fact of using (sliding) the mag-card (obtaining data from the mag-card) at the customer premises indicates that the mag-card (credit/charge card) is physically present at the premises at the time of payment.

Applicant argues that *Davis* is simply an internet-based purchasing scheme wherein a user purchases goods or services over the internet using a stored-value card read at a card reader associated with the user's computer (Abstract, column 6 line 23-column 7 line 25, column 12 lines 10-22, FIG. 10), and does not address any of the deficiencies *of Synesiou* with respect to the claims, and the Office Action cites (or at least seems to cite) *Davis et al.* solely because it processes all charge requests regardless of whether they relate to any utility usage measurements.

In response to this argument the Examiner stipulates that the combination of *Synesiou* and *Sloan* discloses an arrangement wherein the consumer pays to a service provider for services rendered over the network by the credit card utilizing the credit card reading device (the user interface unit) installed at the consumer premises, said payment step includes sliding the card through the slot of the card reading device, thereby disclosing that the card is physically present at the premises at the time of payment.

However, so as the combination discloses payment for the utility services, the combination does not specifically teach that the financial institution processes the card charge request from the utility meter regardless of *whether the card charge request relates to any utility usage measurements made by the utility meter*.

Accordingly, Davis was applied to address this "regardless" feature. Specifically, Davis teaches an arrangement wherein the consumer pays to a service provider for

goods or services over the Internet by a smart card utilizing the credit card reading device (the user interface unit) installed at the consumer premises, said payment step includes sliding the card through the slot of a card reading device thereby disclosing that the card is physically present at the premises at the time of payment (Abstract; Fig. 10; C. 6, L. 1-3, 32-35). Further, Davis does not limit the use of said card to particular goods or services. In fact, Davis utilizes the only word "a merchant(s)" for indicating service providers. It is also apparent that the structural elements of the Davis's system – a consumer terminal, a communication means, a network, a card reader, etc. – same as required for the combination of *Synesiou* and *Sloan.*

Applicant argues that *Bos* does not address any of the deficiencies of *Synesiou* with respect to the claims, and the Office Action cites (or at least seems to cite) *Bos* solely because it uses a telephone as a "user interface unit" for making purchases.

In response to this argument the Examiner stipulates that the combination of *Synesiou, Sloan* and Davis discloses an arrangement wherein the consumer pays to a service provider for services rendered over the Internet by the credit card utilizing the credit card reading device (the user interface unit) installed at the consumer premises, said payment step includes sliding the card through the slot of a card reading device (the user interface unit) installed at the consumer premises, thereby disclosing that the card is physically present at the location of the user interface unit, wherein the financial institution processes the card charge request from the utility meter regardless of whether the card charge request relates to any utility usage measurements made by the utility meter. While the combination does disclose that the user interface unit is a telephone (Davis discloses that a client terminal is any suitable device for interacting with the card and may be embodied in a cellular telephone, C. 12, L. 1-10), Bos was applied to show a utility transaction authorization system, including a meter and a digital cellular phone which is used by a consumer to obtain payment authorization (Fig. 1; Abstract).

Applicant argues that it is incorrect to state that "in the [claimed] combination each element merely would have performed the same function as it did separately": as noted above, there are several features of the claimed combination which are not present in *Synesiou.*

In response to this argument it is noted that Synesiou and Sloan both relate to an arrangement wherein the consumer pays over a network to a utility provider by a credit / magnetic card utilizing a user interface installed at the consumer premises. Both Synesiou and Sloan utilize a user interface for entering card information. The card reading device disclosed in Sloan would have performed the same function if installed in Synesiou's system as it did in Sloan's system. Therefore, while the advantage of fast entering information by sliding a card through the slot of a card reading device compare to manual dialing a card number is well recognized, it would have been prima face obvious to one having ordinary skill in the art at the time the invention was made to modify Synesiou to include that said user interface includes a magnetic/slot card reading device, as disclosed in Sloan, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. *KSR,* 127 S.Ct. at 1740, 82 USPQ2d at 1396.

Also, the combination of Synesiou and Sloan, and Davis's system both relate to an arrangement wherein the consumer pays over a network to a provider of goods or services by a credit / magnetic card utilizing a user interface installed at the consumer premises. Davis's system, while comprising the same structural elements as the combination does (a client interface, a network, a controller, a card reading device, etc.,) is not limited to a particular type of goods or services, and does not require any structural changes of the system disclosed in the combination. Therefore, while the advantage of conducting electronic commerce from a customer's house compare to driving around to various brick stores is well recognized, it would have been prima face

obvious to one having ordinary skill in the art at the time the invention was made to modify the combination to include that the financial institution processes the card charge request regardless of whether the card charge request relates to any utility usage measurements, as suggested in Davis, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. *KSR,* 127 S.Ct. at 1740, 82 USPQ2d at 1396.

The remaining applicant's arguments, including that the prior art references do not disclose the inventive features of the instant application, essentially repeat the arguments presented above; therefore, the responses presented by the Examiner above are equally applicable to the remaining applicant's arguments.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

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